

## **SAMHSA's Center for Financing Reform & Innovations (CFRI)**

### **Financing Focus: August 15, 2016**

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*The Center for Financing Reform and Innovations (CFRI) provides information, analysis, products, and technical assistance to address changes in the organization and financing of behavioral health care, and to guide Federal officials, States, Territories, Tribes, communities, and private payers on the most effective and efficient use of available resources to meet the prevention, treatment, and recovery support needs of the American public.*

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## National News

- **President Obama signs bill to address opioid misuse and abuse.** On July 22, **President Obama** signed the [Comprehensive Addiction and Recovery Act of 2016](#) (CARA) to implement various **substance use disorder** (SUD) prevention, treatment, and recovery service reforms and to address opioid misuse and abuse. Among other provisions, the bill authorizes the **U.S. Department of Justice** (DOJ) to award new grants to improve collaboration between criminal justice and substance abuse agencies, expand opioid prevention and treatment programs, increase naloxone training programs, and investigate unlawful opioid distribution activities. The bill also requires the **U.S. Department of Health and Human Services** (HHS) to establish an interagency task force to develop new opioid prescribing guidelines, conduct additional evaluations of opioid treatment grants, and investigate the availability and scope of inappropriate opioid prescriptions. HHS also may award new grants for naloxone access and prescription drug monitoring programs. The bill requires the **U.S. Department of Veterans Affairs** to expand overdose education, naloxone distribution, and opioid misuse treatment. The bill relies on existing funding to implement its provisions. The Library of Congress has a [summary](#) of the bill ([White House Office of the Press Secretary, 7/22](#); [New York Times, 7/13](#)).
- **CMS predicts 5.8 percent average annual health care cost growth through 2025.** On July 13, the **Centers for Medicare & Medicaid Services** (CMS) released its [National Health Expenditure Projections, 2015-2025](#) report, estimating future health care costs for the U.S. The report estimates that national health care costs increased by 5.5 percent in 2015, with average annual increases of 5.8 percent through 2025. CMS estimates that health care costs will increase from 17.5 percent of the **U.S. gross domestic product** (GDP) in 2014 to 20.1 percent of GDP in 2025; however, consumer out-of-pocket costs will decrease from 10.9 percent to 9.9 percent of health care expenses over the same period. CMS released a [summary](#) of the findings ([CMS, 7/13](#)).
- **National Governors Association creates compact to address opioid misuse.** On July 13, the governors of 43 states and 3 territories signed a [Compact to Fight Opioid Addiction](#), developed by the **National Governors Association**. Under the compact, the governors agreed to pursue new steps to reduce inappropriate opioid prescribing; raise awareness of opioid misuse and dependence; and expand prevention, treatment, and recovery services for individuals at risk for or experiencing opioid misuse ([NGA, 7/13](#)).
- **CMS launches new primary care program that includes behavioral health.** Expanding on the **Comprehensive Primary Care** program, on August 1 CMS launched the **Comprehensive Primary Care Plus** (CPC+) program to implement new payment models and to improve outcomes in 14 regions nationwide. The program will offer primary care practices two CPC+ tracks that will supplement existing Medicare fee-for-service reimbursements. **Track 1** practices will receive monthly Medicare payments to improve care coordination and preventative service delivery, in addition to regular

Medicare fee-for-service payments. **Track 2** practices will receive the monthly payments and additional up-front payments but reduced fee-for-service reimbursements to facilitate comprehensive, integrated service delivery. According to CMS, Track 2 practices will serve patients with “complex medical and behavioral health needs” and coordinate behavioral health service delivery. CMS notes that participation in CPC+ will meet [Medicare Access and CHIP Reauthorization Act of 2015](#) (MACRA) **Quality Payment Program** requirements. The application deadline for eligible practices is September 15 ([CMS, 8/1](#)).

- **CMS raises Medicare inpatient psychiatric facility reimbursement by 2.2 percent.** On August 1, CMS released a [notice](#) to update the FY2017 Medicare reimbursement rate for **inpatient psychiatric facilities** (IPFs), including freestanding IPFs and psychiatric units of acute care or critical access hospitals. The update increases the reimbursement rate by 2.2 percent, which CMS estimates will increase total reimbursements by \$100 million ([Healthcare Finance, 7/29](#)).
- **HRSA awards \$149 million to expand health care workforce.** To expand access to health care services, on July 20, the **Health Resources and Services Administration** (HRSA) awarded \$149 million in training grants through 12 workforce development programs. Among other awards, HHS allocated 9 **Nurse Education Practice Quality and Retention – Interprofessional Collaborative Practice: Behavioral Health Integration** grants totaling \$4.3 million and 31 **Graduate Psychology Education Grants** totaling \$7.7 million. HRSA released a [summary](#) of the awards ([HHS, 7/20](#)).
- **HHS awards \$36 million for health information technology improvements.** To improve the use of health information technology (HIT), on July 21, **HHS** awarded \$36 million to 50 **Health Center Controlled Networks** (HCCNs) across 41 states and Puerto Rico. Under the program, HCCNs will support the use of electronic health records; improve health care data collection, analysis, and reporting; and facilitate the use of HIT to improve the quality of care and reduce health care disparities ([HHS, 7/21](#)).

## State News

- **Arizona restores CHIP enrollment.** On July 22, CMS [approved](#) Arizona’s **Children’s Health Insurance Program (CHIP) State Plan Amendment** to restore eligibility for children with family incomes between 133 percent and 200 percent of the Federal Poverty Level (FPL). According to CMS, Arizona estimates that between 30,000 and 40,000 children are eligible for the program, which will begin providing coverage on September 1. *The Washington Post* notes that Arizona froze CHIP enrollment in 2009 and became the only state not to offer CHIP coverage after shutting down the program in 2014 ([CMS, 7/25](#); [Washington Post, 7/25](#)).
- **Indiana: CMS denies Medicaid lockout request.** On July 29, CMS [denied](#) Indiana’s [request](#) to implement lockout provisions for all enrollees in the state’s private health insurance **premium assistance Medicaid expansion alternative**, the [Healthy Indiana](#)

[Plan 2.0](#) (HIP 2.0). The **Indiana Family and Social Services Administration** (IFSSA) sought permission to apply a six-month lockout for all enrollees who did not complete an annual eligibility redetermination. Although the previously approved HIP 2.0 waiver included lockout provisions for enrollees with incomes above 100 percent of the [Federal Poverty Level](#) (FPL), CMS noted that it has never approved lockout provisions for enrollees with incomes below 100 percent FPL. According to an IFSSA spokesperson, Indiana will include the lockout provisions in its next waiver request ([Modern Healthcare](#), 8/2; [McKnight's Long-Term Care News](#), 8/4).

- **Maryland: Proposed Medicaid waiver extension would expand SUD services.** On June 30, **Maryland** submitted a [Section 1115 Research and Demonstration](#) waiver to extend and reform **HealthChoice**, the state's Medicaid managed care program. Among other reforms, the proposed waiver would expand access to **residential treatment services** as part of a continuum of care for individuals with an SUD. The waiver also would establish presumptive Medicaid eligibility and supportive housing services for formerly incarcerated individuals re-entering the community. The **Maryland Department of Health and Mental Hygiene** released a [summary](#) of the proposed waiver ([Health Management Associates](#), 7/20).
- **Maryland establishes adult day reporting center pilot program.** To expand treatment services for nonviolent criminal-justice-involved individuals with opioid use disorders, **Maryland Governor Larry Hogan** (R) awarded \$540,000 for an adult day reporting center pilot program. Funded by the **Maryland Governor's Office of Crime Control & Prevention** and operated by the **Washington County Sheriff's Office**, the program will provide opioid treatment services and supervised probation as an alternative to incarceration for eligible individuals in Washington County. The program also will provide recovery, education, and life skills training services, and individuals will be required to participate for at least 92 days within a six-month period. According to **Maryland Lieutenant Governor Boyd Rutherford** (R), the pilot program will be expanded statewide if it produces positive outcomes ([Office of Maryland Governor Hogan](#), 7/25; [AP via WTOP](#), 7/25).
- **North Carolina reserves \$20 million to implement behavioral health recommendations.** On July 14, **North Carolina Governor Pat McCrory** (R) signed a bill ([HB1030](#)) to implement the state's FY2016-2017 budget. Among other provisions, the bill establishes a permanent reserve fund with \$10 million in recurring funding and \$10 million in non-recurring funding to implement [recommendations](#) from the **North Carolina Governor's Task Force on Mental Health and Substance Use**. Released in May, the recommendations include expanding treatment, recovery, and case management services, with a focus on services for individuals with opioid use disorders and criminal-justice-involved individuals. Separately, the budget also allocates \$20 million in non-recurring funding from the property sale of the **Dorothea Dix Hospital**, a psychiatric hospital that closed in 2012. The one-time funding will establish additional behavioral

health treatment beds and youth behavioral health crisis centers ([Office of North Carolina Governor McCrory, 7/14](#); [North Carolina Health News, 7/1](#)).

- **Ohio expands intellectual and developmental disability services.** On July 13, **Ohio Governor John Kasich** (R) signed a bill ([HB483](#)) that modifies a variety of laws and programs affecting **intellectual and developmental disability** (I/DD) services. Among other provisions, the bill expands eligibility for and access to I/DD early intervention services and authorizes a broader variety of medical staff to administer medications and provide certain services. The bill also excludes behavioral health services from the direct care cost reimbursement rate for nursing facilities. Governor Kasich also signed a bill ([HB158](#)) replacing the phrase mental retardation with the phrase intellectual disability in all Ohio laws and regulations ([Cincinnati Enquirer, 7/14](#); [Office of Ohio Governor Kasich, 7/13](#)).
- **Pennsylvania approves \$20.4 million for opioid treatment services.** On July 13, **Pennsylvania Governor Tom Wolf** (D) signed a bill ([HB1198](#)) to supplement and complete the state's [FY2016-17 budget](#). The bill allocates \$20.4 million in new funding for the **Pennsylvania Department of Human Services** (PDHS) to expand opioid treatment services. PDHS will use the funding to establish 20 **Opioid Use Disorder Centers of Excellence** to coordinate and integrate behavioral and physical health services, similar to the **patient-centered medical home** model. According to *The Philadelphia Inquirer*, the centers will be established at existing treatment locations and will only serve Medicaid enrollees. Separately, Governor Wolf announced that the **Pennsylvania Board of Pharmacy** and the **Pennsylvania Board of Dentistry** voted to adopt four sets of voluntary opioid prescribing guidelines governing (1) emergency department prescriptions, (2) prescriptions for non-cancer chronic pain, (3) prescriptions for geriatric pain, and (4) obstetrical and gynecological prescriptions. The **Pennsylvania Board of Medicine** adopted the emergency department and chronic pain guidelines and will vote on the other guidelines later ([Office of Pennsylvania Governor Wolf, 7/14](#); [Office of Pennsylvania Governor Wolf, 7/19](#); [Philadelphia Inquirer, 7/16](#); [Penn Live, 7/13](#)).

## Financing Reports

- [“Changes in utilization and health among low-income adults after Medicaid expansion or expanded private insurance.”](#) *JAMA Internal Medicine* published online before print. Sommers, B., et al. August 8, 2016
- [“Data brief: 2016 median marketplace deductible \\$850, with seven health services covered before the deductible on average.”](#) CMS. July 12, 2016 ([NPR, 7/12](#)).
- [“Engagement: A new standard for mental health care.”](#) National Alliance on Mental Illness. July 2016.
- **Federally qualified health center patient visits increased six percent in Detroit from 2013 to 2014.** [“Effects of the Affordable Care Act on the health care safety net in](#)

[Detroit.](#)” Center for Healthcare Research & Transformation. Fangmeier, J., et al. July 13, 2016.

- **“[How the money flows under MACRA.](#)”** Brookings Institute. Ginsburg, P., et al. July 12, 2016.
- **Medicaid expansion would cover 5 million more uninsured individuals if the 19 nonparticipating states expanded in 2017.** **“[What if more states expanded Medicaid in 2017? Changes in eligibility, enrollment, and the uninsured.](#)”** Urban Institute on behalf of the Robert Wood Johnson Foundation (RWJF). Buettgens, M., & Kenney, G. M. July 2016.
- **“[Medicaid work requirement would limit health care access without significantly boosting employment.](#)”** Center on Budget and Policy Priorities. Katch, H. July 13, 2016.
- **“[Missed opportunities: State-based marketplaces fail to meet stated policy goals of standardized benefit designs.](#)”** Urban Institute on behalf of RWJF. Corlette, S., et al. July 14, 2016.
- **“[Obamacare premiums are lower than you think](#)”** *Health Affairs* Blog. Adler, L. & Ginsburg, P. July 21, 2016 ([Fierce Healthcare, 7/22](#)).
- **Private health insurance claims related to opioid dependence increase 3,203 percent from 2007 to 2014.** **“[The opioid crisis among the privately insured: The opioid abuse epidemic as documented in private claims data](#)”** FAIR Health. July 2016 ([Kaiser Health News, 8/1](#)).
- **“[The future of psychiatric collaboration in federally qualified health centers.](#)”** *Psychiatric Services* 67(8): 827-829. Kaliebe, K. August 1, 2016.